

Utah Department of Alcoholic Beverage Services 2023 Year in Retail

JULY 1, 2022 - JUNE 30, 2023



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A note from Deputy Director Cade Meier

During the 2023 fiscal year, the department increased 3.87% in revenue from the year prior. This continued increase in revenue resulted in a compound annual growth rate of 5.00% from FY 2019 to FY 2023. The global pandemic effects have slowed and we are seeing a return to normal buying patterns from consumers. Supply lines have continued improvement and during the calendar year of 2023 many vendors have returned to regular distribution. The department has seen its in-stock percentage increase from 94.5% to over 97%.

The department has recently seen strong improvement in its ability to recruit staff in most areas. Plans for new constructed stores continue in the Park City and St. George market areas, and West Ogden. Replacement stores in Foothill, Sugarhouse, downtown Salt Lake City, Moab and Roy continue as well. The new and replacement stores will help decrease demand on current stores and assist the department to improve customer satisfaction. We again look forward to continue operation efficiency increases and new contributions from our wonderful employees to continue offering the highest level of customer service.

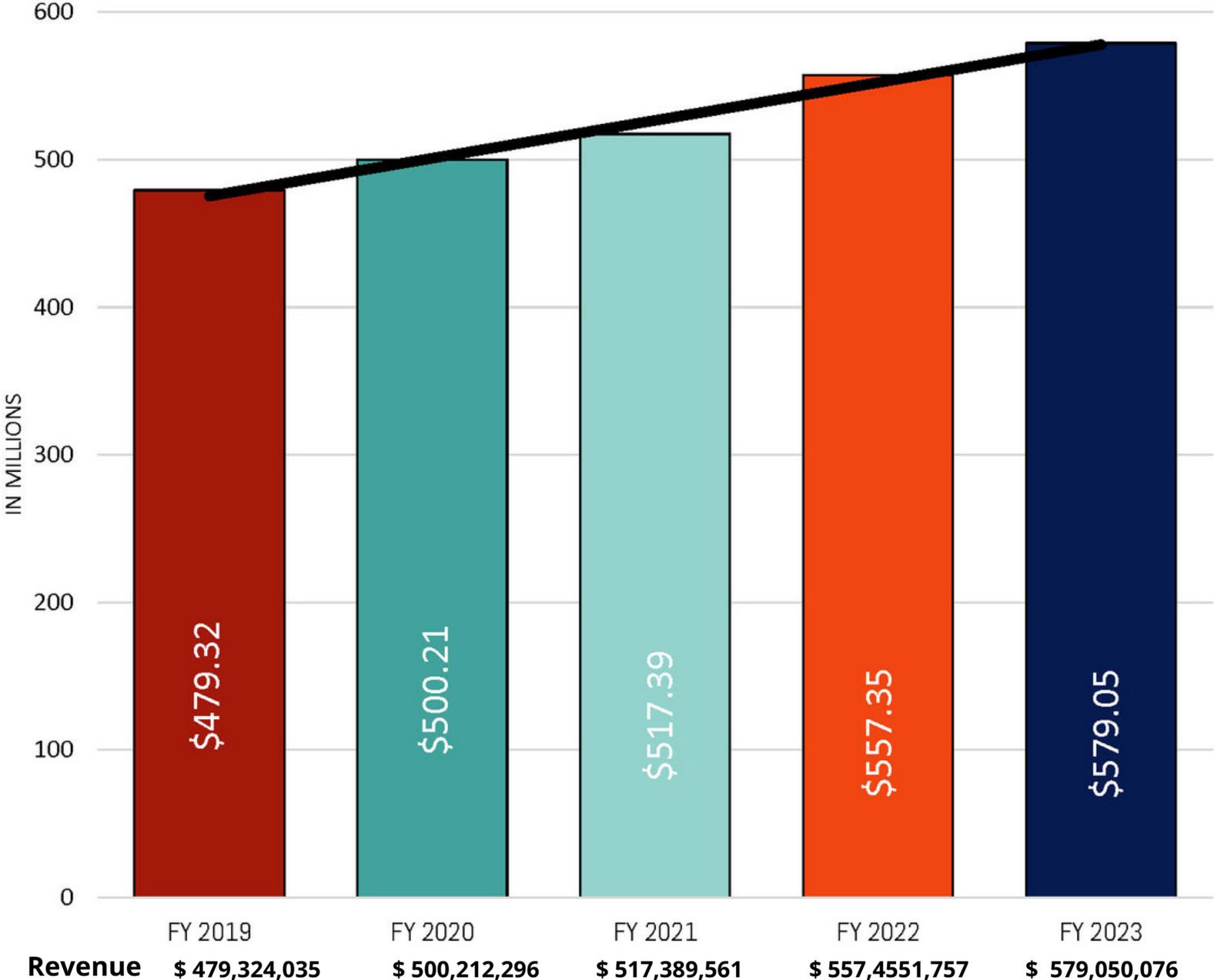
Sincerely,

Cade Meier, DABS Deputy Director

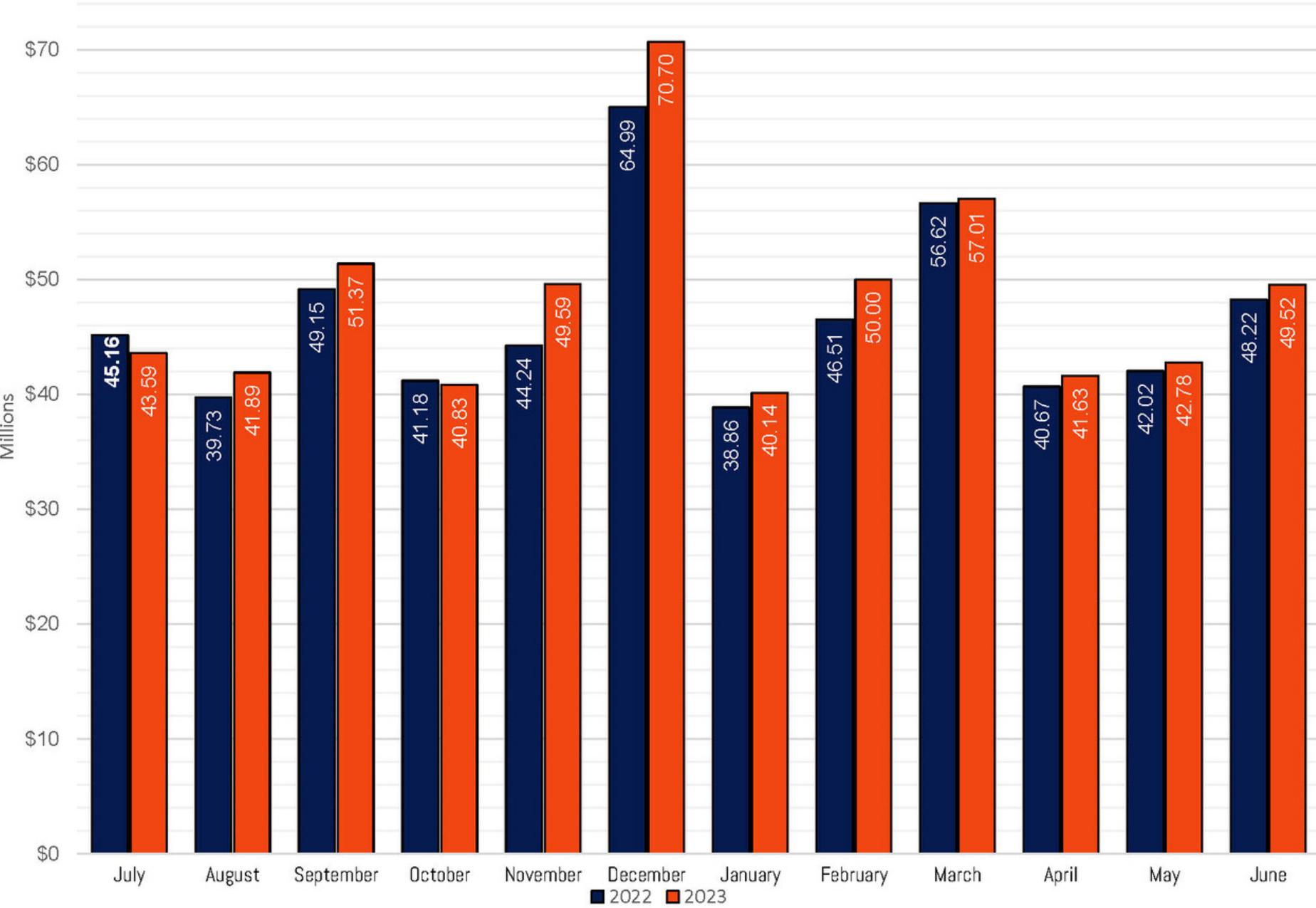


FIVE YEAR SALES SUMMARY

DABS sales revenue finished FY 2023 at \$579.05 million, a 3.87% increase over FY 2022 sales. In the five year period from FY 2019 to FY 2023, the DABS experienced a compound annual growth rate (CAGR) of 5.00%.



YEAR OVER YEAR SALES BY FISCAL MONTH 2022-2023



TOP TEN STORES BY SALES

STORES	FY 2022	FY 2023	% CHANGE
SLC Club Store - 33	\$ 31,969,445	\$ 33,787,347	5.38%
Sandy - 16	\$ 23,021,156	\$ 24,090,794	7.10%
Fort Union Blvd. SLC - 15	\$ 22,381,435	\$ 23,994,123	4.06%
Park City Snowcreek - 38	\$ 21,414,736	\$ 21,714,903	1.38%
Holladay SLC - 29	\$ 17,562,241	\$ 17,778,007	1.21%
Park City Club Store - 34	\$ 20,925,193	\$ 17,488,679	-19.65%
Park City Ute Blvd. - 37	\$ 15,517,324	\$ 16,239,497	4.45%
Harris Ave. SLC - 41	\$ 14,109,201	\$ 15,726,114	10.28%
Herriman - 48	\$ 13,602,130	\$ 15,249,937	10.81%
Draper - 31	\$ 15,130,612	\$ 15,203,300	0.48%

ON-PREMISE VS. OFF-PREMISE SALES

(In thousands)

On-Premise:

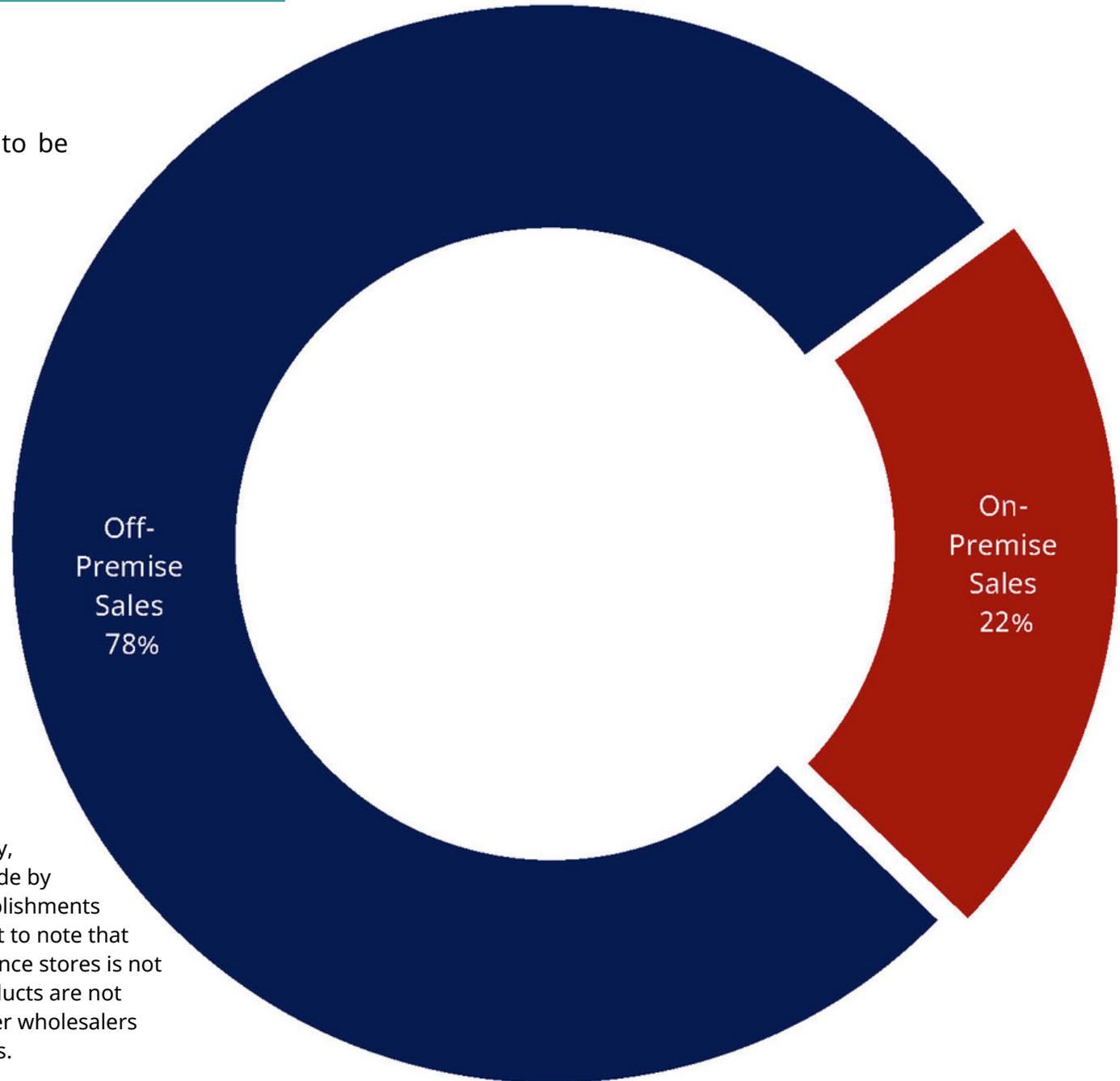
The sale of alcoholic beverages to be consumed on premises, such as in restaurants, banquet facilities, reception centers, qualified resorts, airport lounges, bars, and beer recreational retailers.

Off-Premise:

The sales of alcoholic beverages to be consumed off-premise, such as the state liquor and wine retail stores, grocery and convenience stores, or package agencies.

Note:

The graph represents off-premise sales based on sales made to walk-in retail customers of a state liquor and wine store, or a licensed package agency, whereas, on-premise sales are sales made by the agency to licensed on-premise establishments like bars, restaurants, etc. It is important to note that sales of alcohol in grocery and convenience stores is not represented in this graph, as those products are not distributed by DABS, but by licensed beer wholesalers direct to grocery and convenience stores.



SALES BY TYPE

(In thousands)

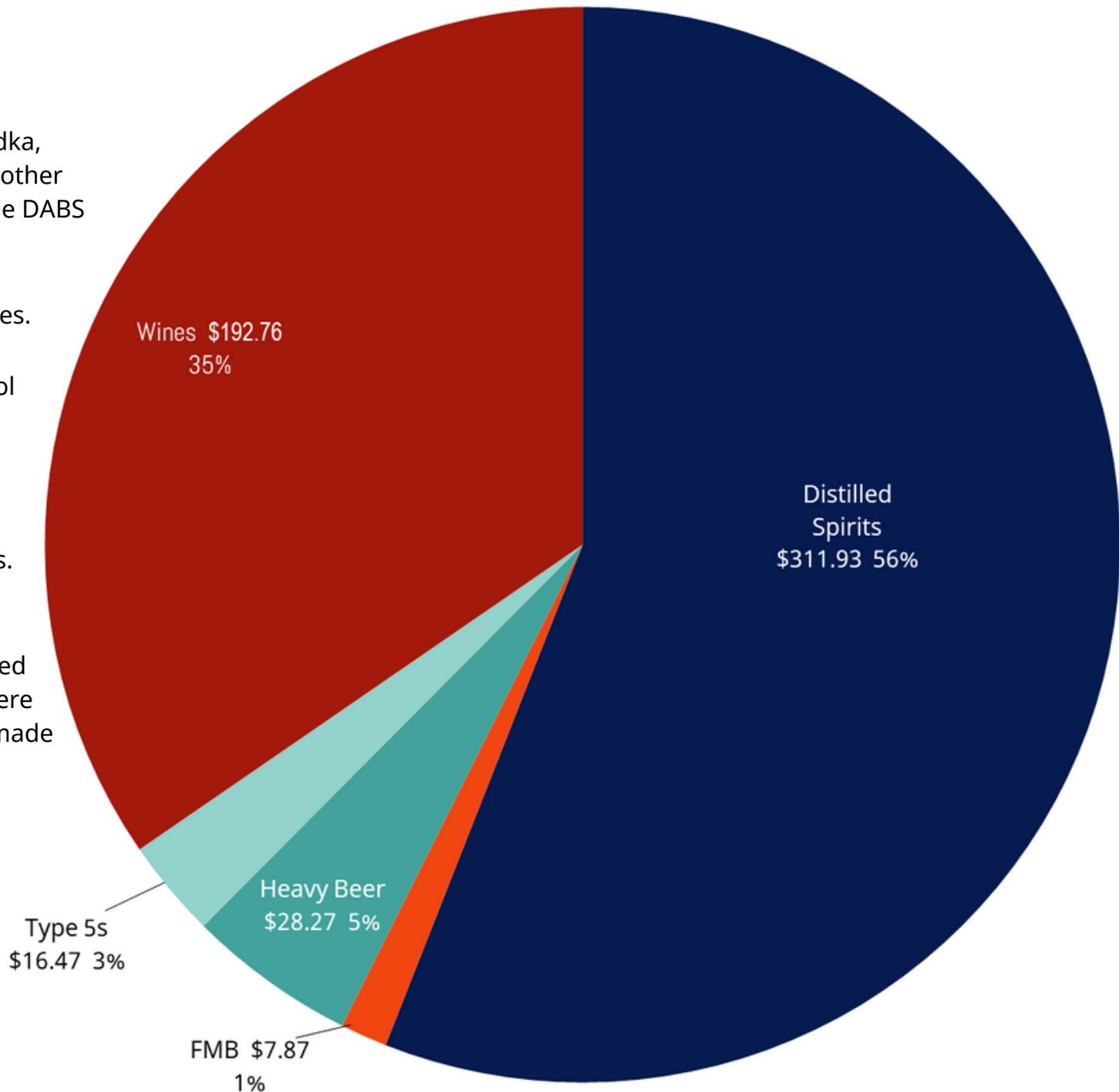
Distilled spirits such as vodka, whiskey, rum, tequila and other spirits made up 56% of the DABS total retail sales.

Wines made up 35% of sales.

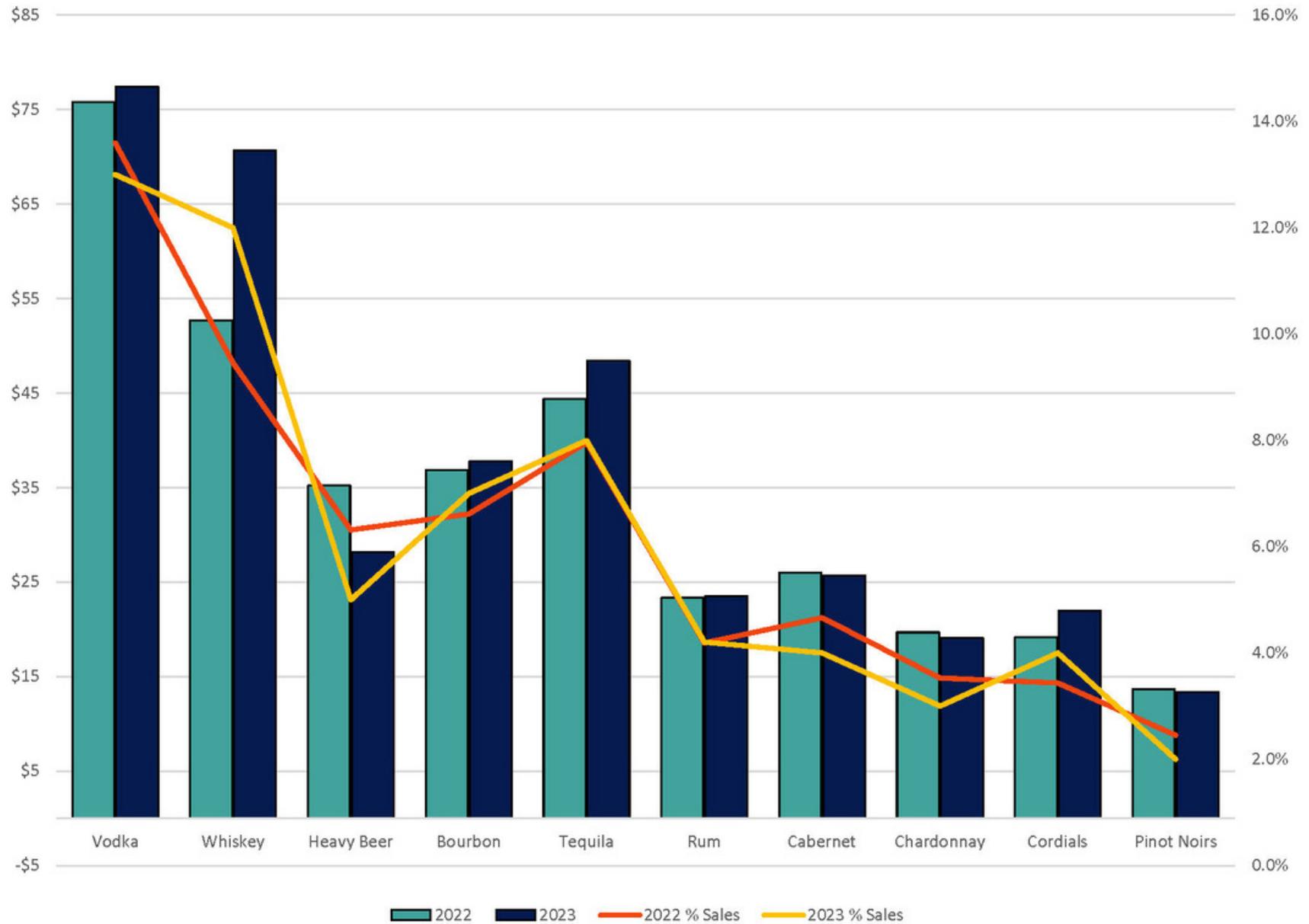
Heavy beer, with an alcohol percentage above 5.0 ABV or 4.0 ABW, made up 5%.

Flavored malt beverages (FMB) made up 1% of sales.

Type 5 package agencies that are attached to licensed manufacturing facilities were 3.3% of sales Misc. items made up the remaining .34%.



SALES BY TOP TEN CATEGORIES 2022-2023



TOP SELLING ITEMS

NAME	BOTTLES	SALES	CHANGE
TITO'S HANDMADE VODKA 1750ml	138,207	\$ 5,935,502	0
TITO'S HANDMADE VODKA 1000ml	179,235	\$ 4,801,458	0
TITO'S HANDMADE VODKA 750ml	176,807	\$ 3,745,791	0
PATRON SILVER TEQUILA 750ml	65,614	\$ 3,479,785	+1
CROWN ROYAL PEACH 750ml	103,522	\$ 3,311,524	+79
CASAMIGOS BLANCO TEQUILA 750ml	57,139	\$ 3,036,225	+2
BARTON VODKA 1750ml	273,102	\$ 3,001,391	-3
JACK DANIEL'S BLACK LABEL 1750ml	53,157	\$ 2,726,868	-1
CROWN ROYAL 1750ml	47,789	\$ 2,671,004	-3
SMIRNOFF VODKA 1750ml	93,630	\$ 2,396,076	0

TOP SELLING BEER

NAME	BOTTLES	SALES	CHANGE
SQUATTERS HOP RISING DBL IPA CAN 355ml	568,228	\$ 1,187,645	0
NATTY DADDY CAN 355ml	179,235	\$ 1,030,988	0
RED ROCK ELEPHINO IPA 500ml	167,828	\$ 678,025	0
SQUATTERS HOP RISING TROPICAL IPA 355ml	296,302	\$ 619,271	0
MODELO NEGRA DARK ALE 355ml	237,171	\$ 486,201	+ 10
TEMPLIN FERDA DBL IPA 473ml	128,500	\$ 480,988	+ 5
UINTA DETOUR DOUBLE IPA CAN 355ml	193,980	\$ 463,612	- 2
SQUATTERS HAZY HOP RISING 355ml	194,732	\$ 406,990	+ 39
LAGUNITAS LIL SUMPIN SUMPIN CAN 355ml	165,778	\$ 363,054	- 3
WASATCH DEVASTATOR DBL BOCK CAN 355ml	162,280	\$ 339,165	+4

TOP SELLING UTAH PROUD PRODUCTS (LOCALLY MADE)

NAME	BOTTLES	SALES
HIGH WEST BOURBON 750ml	52,166	\$ 1,947,984
HIGH WEST DOUBLE RYE WHISKEY 750ml	50,284	\$ 1,876,755
DENTED BRICK CRAFT VODKA 1000ml	79,348	\$ 1,398,988
SQUATTERS HOP RISING DBLE IPA CAN 355ml	568,228	\$ 1,187,645
HIGH WEST RENDEZVOUS RYE WHISK 750ml	11,209	\$ 867,758
FIVE WIVES VODKA 1750ml	19,830	\$ 690,397
FIVE WIVES VODKA 750ml	37,657	\$ 679,075
RED ROCK ELEPHINO IPA 500ml	167,828	\$ 678,025
HIGH WEST CAMPFIRE BLENDED WHISK 750ml	8,371	\$ 669,586
SQUATTERS HOP RISING TROPICAL IPA 355ml	296,302	\$619,271



TOP SELLING WINES

NAME	BOTTLES	SALES	CHANGE
VEUVE CLICQUOT BRUT YELLOW LABEL 750ml	33,175	\$ 2,189,534	0
LAMARCA PROSECCO 750ml	83,639	\$ 1,506,718	0
MEOMI PINOT NOIR 750ml	62,599	\$ 1,371,741	0
ZONIN PROSECCO 750ml	296,302	\$ 1,344,522	+ 1
KIM CRAWFORD SAUVIGNON BLANC 750ml	65,675	\$ 1,091,452	+ 1218
BOTA BOX PINOT GRIGIO 3000ml	51,539	\$ 1,069,569	+ 1
STELLA ROSA BLACK 750ml	75,064	\$ 1,046,422	- 3
BLACK BOX CHARDONNAY 3000ml	46,970	\$ 955,398	- 2
BLACK BOX CABERNET 3000ml	45,449	\$ 912,135	- 1
KENDALL JACKSON CHARD VINT RES 750ml	55,104	\$ 901,738	+ 2

WINE SALES BY REGION



NAME	SALES	% OF SALES
U.S.	\$ 132,187,139	69.43%
ITALY	\$ 21,058,772	11.06%
OTHER*	\$ 11,217,187	5.89%
FRANCE	\$ 6,805,905	3.57%
NEW ZEALAND	\$ 5,461,760	2.87%
ARGENTINA	\$ 3,795,592	1.99%
SPAIN	\$ 3,387,572	1.78%
AUSTRALIA	\$ 1,981,689	1.04%
CHILE	\$ 1,177,131	0.62%
PORTUGAL	\$ 1,333,428	0.70%
JAPAN	\$ 788,874	0.41%
GERMANY	\$ 526,272	0.28%
SOUTH AFRICA	\$ 281,485	0.15%
AUSTRIA	\$ 268,262	0.14%
GREECE	\$ 125,946	0.07%

*Other is composed of fortified wines, like vermouth, and other miscellaneous varieties of wine that can be found in various regions.



A word from Retail Stores Director, Val Barnes

Fiscal year 2023 was an amazing year for our retail stores! We continued to experience strong sales growth and began testing new initiatives for infrastructure improvements, better customer experience, and increased employee productivity. We are continuing to grow our department by building new stores and by securing property to relocate some of the older stores.

Employees continued to focus on delivering exceptional service for our customers.

Some highlights for fiscal 2023 include:

- Secured pay raises and market increases for all store and warehouse employees to be competitive with other retailers
- Finished preparations for the new East Sandy store that opened July 2023
- Began construction on the new Salt Lake City store
- Began new POS deployment which allows the use of Apple Pay, tap, etc.
- Began using Pay for Performance (P4P) program for all store employees
- Continued with the planning for store relocations - Foothill and Sugarhouse
- Continued to add additional online training modules and videos in the learning portal
- Held in-person annual store manager meeting
- Added positions to the roving team for a total of 10 to enable continued store support
- Utilized administrative staff to assist in store during the holidays
- Worked with staffing agencies to help support stores with staffing shortages
- Opened first temporary store for the NBA All-Star event, which featured locally made, craft Utah Proud products
- Conducted DABS first wine education event at a store
- Continued to work with PLM team on planogram resets
- Added 40 additional FTE's to the stores
- Hosted Lt. Governor Henderson at our main campus and licensee warehouse
- Met virtually with DABS work group monthly to review store processes

The DABS experienced many success this year because of the contributions of the entire team. From administrative staff assisting in the stores during the holidays to store employees providing a great shopping experience, the team pulled together to ensure the needs of our customers were met. As we continue to grow, continue enhancing processes, and building on our department mission, I am confident that we will be successful.

Respectfully,
Val Barnes



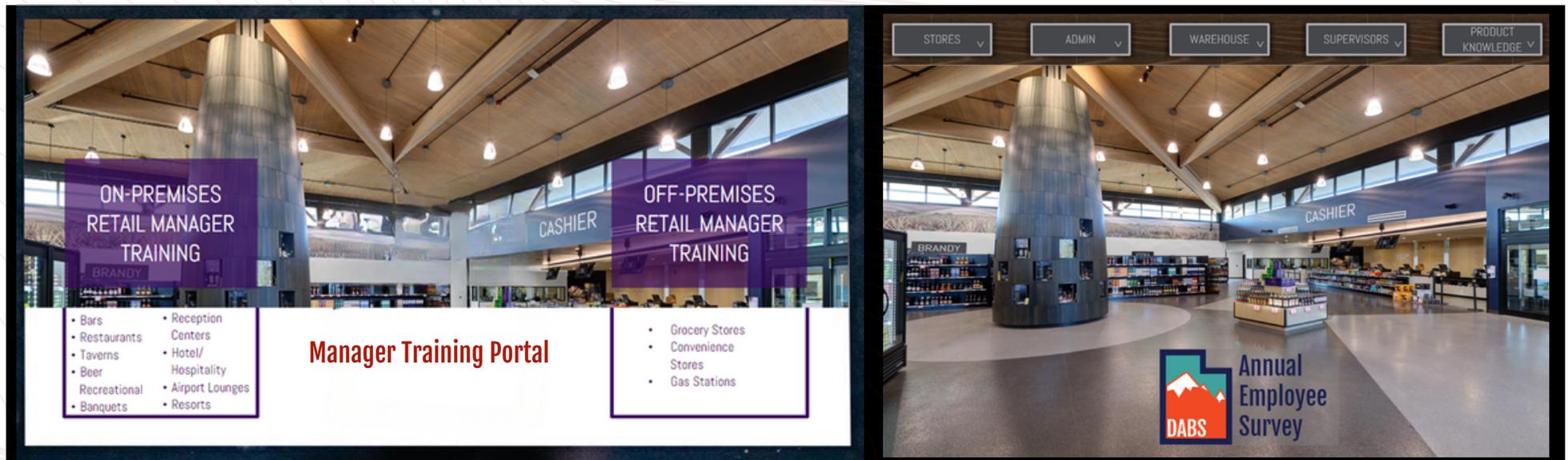
DABS TRAINING DEPARTMENT

In fiscal year 2023 the training department prioritized the redesign of our eLearning courses and materials, including the addition of accessibility to learners with disabilities. We also worked toward simplifying the mandatory training process for our licensee management teams. Finally, we revamped the platform that internal and external users utilize to access training modules.

Our DABS course catalog has been enhanced with accessibility features that align with industry standards by using accessible design principles, providing alternative text, video captioning, keyboard accessibility, and more.

Previously, off-premise and on-premise retail managers had to navigate various sources and agencies to request and process information and payments for their required retail manager training. We have now consolidated and internalized this process, establishing a convenient “one-stop shop” for retail manager training. Now they can effortlessly access and complete their essential training all in one location.

Furthermore, to improve efficiency and offer a user-friendly experience, both our internal and external training pages have been redesigned. This means the process of selecting courses is now more straight forward as illustrated in the images below.



A message from the Purchasing Division

In fiscal year 2023, the supply chain for DABS again made improvements in the Purchasing Division. Additions of full-time employees to the division enabled the department to handle the increased demand from customers, especially within the special order program.

Reflecting the changes within the industry, there have once again been price increases due to global and U.S. economic trends. The increased cost of fuel, as well as the increased cost of purchasing or leasing trucks and trailers for transportation, has led to many suppliers increasing the retail cost of products to the consumer.

As in past years, the purchasing department received many new item submissions to review for distribution. These items range from popular pre-mixed cocktails, tequila, and flavored whiskey categories to new items entering the market on a consistent basis, following market trends. The offerings and sales in these categories continues to increase as demand for new offerings is supported by consumers.

The purchasing department worked diligently to test and implement a new computer operating system used for purchasing products, inventory management, and financial functions. In addition, continued projects have been a focus of the division. These include improvements in our reporting, increased visibility into product performance, and training to use a master resource planning module within our system to improve efficiencies and effectively plan future purchase orders.





Department of
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